

This PUBLIC BILL originated in the HOUSE OF REPRESENTATIVES, and, having this day passed as now printed, is transmitted to the LEGISLATIVE COUNCIL for its concurrence.

*House of Representatives,
27th August, 1894.*

[AS AMENDED BY THE LEGISLATIVE COUNCIL.]

Mr. Pinkerton.

DUNEDIN LOANS CONVERSION.

[LOCAL.]

ANALYSIS.

Title.	11. Limit of overdraft.
Preamble.	12. Section 10 not to apply in certain cases.
1. Short Title.	13. Sums to be paid to Sinking Fund Commissioners and invested by them.
2. Interpretation.	14. Pending operations for conversion, advances may be obtained.
3. The Council empowered to convert loans and issue debentures.	15. Council may pay cash for debentures.
4. Appointment of Agents.	16. Interest on, currency of, and form of debentures.
5. Cost of issuing debentures, how paid.	17. Transfer of debentures.
6. Debenture-holders may exchange same for other debentures created under this Act.	18. Securities, how to be dealt with.
7. Terms of conversion.	19. Poll of citizens not necessary.
8. Sinking fund, how dealt with. Appeal provided for.	20. No objections allowed to rates struck under this Act.
9. Difference between converted debentures and debentures under this Act paid out of sinking fund.	21. Debenture-holders to have no claim on the public revenues.
10. Portion of sinking fund set free to be applied in reduction of bank overdraft.	Schedules.

A BILL INTITULED

AN ACT to authorise the Conversion by the City of Dunedin of certain Loans into a Consolidated Loan. Title.

5 WHEREAS the several loans in the Schedule hereto specified have Preamble.
been raised under the authority of the several enactments in the said
Schedule referred to, and are to the extent in each case therein
appearing still outstanding: And whereas it is expedient that power
should be given to the Corporation of the said city to effect the con-
version hereby contemplated, and for that purpose to issue debentures
10 in manner and to the extent hereinafter set forth:

BE IT THEREFORE ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:—

15 1. The Short Title of this Act is “The Dunedin Loans Conversion Short Title.
Act, 1894.”

2. In the interpretation of this Act the following expressions Interpretation.
shall have the meanings hereby assigned to them:—

“The City of Dunedin” shall mean the Mayor, Councillors,
and Citizens of the City of Dunedin, as incorporated by
law:

“The Council” shall mean the Council of the said city, and it shall, in carrying out the provisions of this Act, exercise all the powers of the City of Dunedin :

“The converted loans” shall mean the several loans in the Schedule hereto specified :

“The Sinking Fund Commissioners” shall mean the Sinking Fund Commissioners empowered to act or acting in connection with the sinking funds established or recognised by and in the several Acts and Ordinances in the Schedule hereto mentioned :

“The Agents” shall mean the Agents appointed under the provisions of this Act :

The debentures authorised by this Act to be issued shall be termed “Conversion Loan Debentures, 1894.”

“The said Act” means “The Municipal Corporations Act, 1886.”

The Council empowered to convert loans and issue debentures.

3. It shall be lawful for the Council, as soon as it shall be found convenient, to call in and convert the loans in the Schedule hereto specified, notwithstanding that the same are not yet due and payable, and for that purpose to issue debentures to be disposed of in exchange for the debentures representing the converted loans ; and such debentures may be issued to the amount of the said loans, and such further amount as may be found necessary to convert the said loans in manner hereinafter set forth.

But nothing in this Act shall be deemed to entitle the Council to compel the holder of any debenture of a converted loan to accept payment thereof before the due date thereof.

Appointment of Agents.

4. The Council may appoint any *bank*, company, or any person or persons, in England, and in such other place or places as may be found necessary, to be Agents for the purpose of managing the conversion contemplated by this Act ; and such Agents may exercise all such authority as is hereby conferred on the Council, unless the Council shall limit their authority, and such Agents shall also be the Agents of the Sinking Fund Commissioners for all purposes connected with the administration of this Act, and shall have full power to act generally in connection with the operations contemplated by this Act.

Cost of issuing debentures, how paid.

5. The cost of issuing such debentures, and all charges connected with the conversion and other operations contemplated by this Act, shall be paid out of the sinking fund set free by the operation hereof.

Debenture-holders may exchange same for other debentures created under this Act.

6. The holders of debentures representing the converted loans shall be entitled to surrender the same, in exchange for debentures created under the provisions hereof, at such rates as shall be agreed upon between the Council or the Agents and such holders.

Terms of conversion.

7. In adjusting the terms of such conversion, the Council shall pay to such holders the agreed difference in value between the debentures so surrendered and the Conversion Loan Debentures, 1894, issued in exchange therefor, and such payment shall be made either in cash or by delivery of debentures for a further amount issued under the provisions hereof : Provided that no debenture shall be issued for a smaller sum than twenty-five pounds, and any payment to a smaller amount shall be made in cash.

Sinking fund, how dealt with.

8. When any part of any of the loans in the Schedule hereto specified is converted, the sinking fund accrued and accruing on such

part shall be held to be set free, and it shall be the duty of the Sinking Fund Commissioners, *pari passu* with such conversion, to pay over to the Council so much thereof, representing the loans in the Schedule hereto described, as shall be applicable to the debentures from time to time converted; and for this purpose the said Commissioners are hereby empowered from time to time to sell such of the securities held by them as they shall think fit, and to obtain advances either against specific securities or generally, and to apply the proceeds of such sales or advances in making such payments; and the said Commissioners are further hereby empowered to decide how much of the funds in their hands is applicable to the loans in the Schedule hereto, and how much thereof is from time to time subject to be paid over to the Council: Provided that from their decision there shall be an appeal to a Judge of the Supreme Court, to be brought by way of summons, but no further appeal, and in any such appeal the Public Trustee shall sufficiently represent all interests other than those of the Council.

Appeal provided for.

9. All sums which may be necessary for the purpose of paying to holders of converted debentures the agreed difference in value between such debentures so surrendered by way of exchange and the debentures issued under the provisions hereof shall be paid out of sinking fund so set free as aforesaid.

Difference between converted debentures and debentures under this Act paid out of sinking fund.

10. So much of the sinking fund so set free as aforesaid as shall not be required for the purpose of effecting and paying the cost of such conversion shall be paid into the Borough Fund, and shall be applied in satisfaction or reduction of the existing bank overdraft of the Corporation.

Portion of sinking fund set free to be applied in reduction of bank overdraft.

11. In addition to the limits prescribed by section two hundred and one of the said Act, it is hereby further enacted,—

Limit of overdraft.

(1.) That after all the moneys referred to in section *ten* have been paid into the Borough Fund it shall not be lawful for the Council to owe to its bankers on overdraft at the end of any financial year any sum exceeding the amount of ordinary revenue of that year then outstanding and uncollected.

(2.) That during the process of conversion, and until the whole of the moneys referred to in section *ten* have been paid into the Borough Fund, the overdraft limit prescribed by section two hundred and one of the said Act shall be reduced by the aggregate of the amounts so paid in from time to time.

12. The provisions of section ten shall not apply to such sums as shall be left in the hands of the Council by reason of holders of converted debentures accepting debentures in payment of the agreed difference in value between the debentures surrendered and the Conversion Loan Debentures, 1894, accepted by them in lieu thereof.

Section 10 not to apply in certain cases.

13. The sums mentioned in section *eleven twelve* shall be paid to the Sinking Fund Commissioners of the City of Dunedin, and shall be invested by them, together with all interest and profits accruing therefrom, as a sinking fund for the redemption of the Conversion Loan Debentures, 1894.

Sums to be paid to Sinking Fund Commissioners and invested by them.

14. Pending the operations for converting loans and issuing the debentures authorised to be issued under the provisions of this Act, and the getting-in of the moneys which, under the provisions hereof,

Pending operations for conversion, advances may be obtained.

the Sinking Fund Commissioners are directed to pay to the Council, the Council or the Agents may, for the purpose of carrying out the provisions hereof, obtain advances from any bank, company, or person.

Council may pay cash for debentures.

15. In any case in which the holder of any debentures representing any part of any of the loans in the Schedule hereto described shall prefer to accept an immediate cash price therefor, the Council shall pay the same, and sell such of the debentures issued under the provisions hereof as may be necessary to provide for such case. 5

Interest on, currency of, and form of debentures.

16. The debentures issued under the authority of this Act shall bear interest at a rate not exceeding four and one-half per centum per annum, and such interest may be made payable in London or elsewhere; and such debentures shall have a currency of thirty years from the first day of January, one thousand eight hundred and ninety-five, and shall be in the form in the *Second* Schedule hereto, and shall be numbered consecutively, and as between the holders thereof shall rank equally; and coupons in the form of the said Schedule, similarly numbered and expressing the rate of interest, shall be attached thereto, and no debenture or coupon shall be liable to stamp duty: *Provided that no debenture issued under this Act shall be sold at a price that will produce to the purchaser a greater interest than four and a half per centum per annum.* 10 15 20

Transfer of debentures.

17. Any such debenture may be transferred by indorsement in the form in the said *Second* Schedule (or by separate form of transfer to the like effect), attested by one witness, whose address and occupation shall appear on such instrument; and such transfer, or a notari- ally attested copy thereof, shall be presented for registration in the books of the Council at the Town Hall, Dunedin, within twenty-one days from the date thereof if executed in New Zealand, and if executed beyond New Zealand, within twenty-one days after the arrival thereof in the colony; and no such transfer shall be liable to stamp duty. 25 30

Securities, how to be dealt with.

18. The several revenues forming the security for the respective loans mentioned in the *First* Schedule hereto, and generally all existing securities, including so much of the sinking fund as is applicable thereto and is not set free, shall remain as the security therefor until the same shall be converted to the extent to which the several holders of debentures representing such loans are now entitled to the security thereof, and, *pari passu* with such conversion, the said revenues and the said securities, other than sinking fund, shall, as to so much thereof as forms the security for the converted debentures, become a consolidated security for the debentures issued hereunder, and generally, and subject to all lawful existing charges, the debentures issued under the provisions hereof shall be secured upon the rents and revenues of the City of Dunedin. 35 40

Poll of citizens not necessary.

19. It shall not be necessary for the Council to cause any public meeting of the citizens to be held, or to take any poll of the citizens, for the purpose of consenting to, or in respect of the issue of any debentures issued under the authority of this Act, or the incurring of the indebtedness thereby created. 45

No objections allowed to rates struck under this Act.

20. No objection shall be allowed in any Court to any rate which the Council or a Receiver shall purport to strike, make, or levy under the provisions of this Act; and no informality or irregularity, whether 50

in form or in substance, in the making, striking, or levying of such rate, or in the election or appointment of any body or person acting in connection therewith, shall be allowed by any Court as a defence to any action or proceeding for the recovery of such rate, or be entertained as a ground for quashing such rate or restraining the recovery thereof.

21. No claim of any holders of debentures or coupons issued under the authority hereof, or of any creditor of the Corporation, shall attach to or be paid out of the public revenues of New Zealand or the Government thereof.

Debenture-holders to have no claim on the public revenues.

SCHEDULES.

Schedules.

FIRST SCHEDULE.

Date of Issue.	Date of Maturity.	Amount of Loan.	Rate of Interest.	Act or Ordinance authorising Loan.	Apportionment of Sinking Fund at 31st Dec., 1894.
1868	1898	£ 25,300	per cent. 7	"The Otago Municipal Corporations Ordinance, 1865."	£ 14,793
1870	1900	12,500	7	"The Otago Municipal Corporations Ordinance, 1865."	5,851
1872	1902	13,100	7	"The Otago Municipal Corporations Ordinance, 1865."	5,677
1873	1903	9,800	6	"The Otago Municipal Corporations Ordinance, 1865."	3,619
1875	1905	18,400	6	"The Otago Municipal Corporations Ordinance, 1865," and "The Otago Municipal Corporations Extension Ordinance, 1870."	7,372
1875	1905	3,300	6	"The Massey Frauds Indemnity Act, 1883."	
1876	1906	91,600	6	"The Dunedin Corporation Borrowing Powers Extension and Debentures Act, 1875."	28,561
1876	1906	8,000	6	"The City of Dunedin Borrowing Act, 1871," and "The City of Dunedin Gasworks Act, 1874."	Nil.
<i>Total</i>					£65,873

SECOND SCHEDULE

FORM OF DEBENTURE.

No. City of Dunedin, *New Zealand.*
 Conversion Loan Debenture, 1894, issued pursuant to "The Dunedin
 Loans Conversion Act, 1894."
 CONVERSION Loan secured on rents and revenues of the City of Dunedin, as pro-
 vided by the above Act.
 Conversion Loan Debenture for £ , payable at on the 1st day of
 January, 1925, issued by the Corporation of the City of Dunedin, New Zealand,
 under the aforesaid Act.
 N.B.—The holder of this debenture has no claim in respect thereof upon the Govern-
 ment of the Colony of New Zealand or the revenues of such colony.
 ON presentation of this debenture at on the 1st day of January, 1925, the
 bearer thereof will be entitled to receive £ . Interest on this debenture will
 cease after the date when payment falls due.
 Issued under the corporate seal of the City of Dunedin, the day of ,
 189 .

A.B., Mayor.
 [or E.F., } Agents.
 G.H., }

C.D., Treasurer.

FORM OF TRANSFER OF DEBENTURE.

I [*Transferor*], of [*Name in full, occupation, and address*] hereby transfer to [*Trans-
 feree*] of [*Name in full, occupation, and address*] the within [*or a certain*] Conversion
 Loan Debenture, 1894, of the City of Dunedin, numbered [*Quote number correctly*].
 (*Signature*) A.B., Transferor.

Signed in the presence of C.D.,
 [*Add address and occupation*].

[NOTE.—The above form is printed for the guidance of transferors, and should be
 strictly followed. If the original debenture is not forwarded to Dunedin with the
 indorsement thereon, for registration, there should be forwarded either a notari-
 ally attested copy thereof or a separate form of transfer in the above form, duly executed
 before some well-known person, such as a Justice, clergyman, barrister, solicitor,
 London broker, Mayor, Town Clerk, or county official.]

FORM OF COUPON.

CONVERSION Loan Debenture, 1894, No. , of the City of Dunedin, New
 Zealand, issued under "The Dunedin Loans Conversion Act, 1894," secured on
 rents and revenues of the city as provided by that Act.
 ON presentation of this coupon at on or after the day of ,
 18 [or 19] the bearer hereof will be entitled to receive £ .

A.B., Mayor.
 [or E.F., } Agents.
 G.H., }

C.D., Treasurer.